

## ADJUSTER

A person who is paid to investigate or settle claims arising under insurance contracts must be licensed as an adjuster.

**Exceptions** – An adjuster license is not required for

- Adjuster who is sent to Kentucky by an insurer to investigate claims relating to a common catastrophe, such as a tornado or hail storm. Under these circumstances, the unlicensed adjuster is permitted to adjust claims for up to 90 days;
- Attorney while acting under a license to practice law in Kentucky;
- Licensed agent with claim authority granted by the insurer as long as the agent does not receive any compensation for adjusting services;
- Salaried traveling representative of a mutual or reciprocal insurer;
- Person employed only for the purpose of obtaining facts surrounding a claim or furnishing technical assistance to a licensed adjuster, including photographer, estimator, private investigator, engineer, and handwriting expert; or
- Person performing adjusting services under an agent license for limited line of authority for crop-hail insurance.

Adjusters are required to have and maintain an office that is accessible to the public. Further, adjusters are required to keep their adjuster records in that office. This requirement does not prohibit adjusters from maintaining their office in the office of an insurer, of the employer, or in the home of the adjuster.

### Different Lines of Authority Under an Adjuster License

The Department issues adjuster licenses with only one of two different lines of authority: independent or public. An adjuster is expressly prohibited by law from representing the interests of both the insurer and the claimant. Thus, the applicant for an adjuster license must select which group the adjuster intends to act for. The applicant may elect to be either:

- **Independent Adjuster** – an adjuster who acts solely on behalf of insurers; or
- **Public Adjuster** – an adjuster who acts solely on behalf of the insured or the claimant (persons making claims against the insurance policies).

## INDIVIDUAL RESIDENT OR NONRESIDENT INDEPENDENT AND PUBLIC ADJUSTER

The Kentucky Insurance Code provides for independent adjuster and public adjuster licenses without distinguishing between a resident and a nonresident as long as the nonresident's state permits Kentucky adjusters to act in that state.

**QUALIFICATIONS** – To be licensed as an either an independent adjuster or public adjuster, the individual applicant must

- Be at least 21 years old;
- Be a resident of Kentucky or resident of a reciprocal state
- Fulfill one of the following:
  - Be an employee of an insurer, or
  - Be a full time salaried employee of a licensed adjuster, or
  - Be a graduate of a recognized law school, or
  - Have experience or special education or training as to the handling of claims long enough and frequently enough to be competent to fulfill the responsibilities of an adjuster;
- Be trustworthy and of good reputation;
- Have an office accessible to the public;
- Be financially responsible; and
- Pass a written examination in either
  - Kentucky or
  - A reciprocal state.

**APPLICATION** – The Department must receive the following to process the individual's application:

- Individual License Application – **Form 8301**
  - Electing to be either Independent or Public
- Certification Letter from Reciprocal State, if nonresident, specifying that the applicant passed that state's adjuster exam
- Proof of Financial Responsibility – **Form 99-3**
- If using assumed name, copies of Certificate of Assumed Name filed with each County Clerk where intend to transact business
- All applicable fees

**FEES** – The adjuster license applicant must remit \$50 for the license and \$50 for the examination, if applicable.

**PRELICENSING TRAINING** – No specific prelicensing training course is required of adjusters.

**EXAMINATION** – The individual must pass the adjuster examination unless the applicant has passed an adjuster examination in a reciprocal state.

**FINANCIAL RESPONSIBILITY** – The adjuster is deemed to act in a fiduciary capacity on behalf of the adjuster's principal and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company and must be in the sum of \$1,000.

**ADDITIONAL LINES OF AUTHORITY** – The adjuster cannot add lines of authority to the adjuster license but, in certain circumstances, may replace one line of authority

with another. In other words, the adjuster may have only one line of authority under the license at any one time. The adjuster is allowed either an independent adjuster license or a public adjuster license.

Further, upon the issuance of either an independent adjuster license or a public adjuster license, any existing apprentice adjuster license will terminate.

**APPOINTMENTS** – Appointments are not applicable to adjuster licenses. Although certain independent adjusters may be listed with an insurer in the Department's records for renewal billing purposes, there is no appointment of independent or public adjusters.

**LICENSE RENEWAL** – The adjuster license will continue in force until expired, suspended, revoked, or otherwise terminated if the adjuster makes a written request for continuation and pays the \$50 renewal fee by end of the adjuster's birth month in

- Odd years for adjuster born in an odd year, and
- Even years for adjuster born in an even year.

Independent adjusters who give written permission will have their renewal request and payment handled by the insurer. All other adjusters will be responsible for their own individual renewal request and payment.

**CONTINUING EDUCATION** – Adjusters are not subject to continuing education.

## **BUSINESS ENTITY RESIDENT OR NONRESIDENT INDEPENDENT OR PUBLIC ADJUSTER**

The Kentucky Insurance Code provides for an independent adjuster or a public adjuster license without distinguishing between a resident and a nonresident as long as the nonresident's state permits Kentucky adjusters to act in that state.

**QUALIFICATIONS** – To be licensed as an either an independent adjuster or a public adjuster, the business entity applicant must have

- Each individual who will act under the business entity license
  - Licensed as an individual adjuster for the same line of authority, and
  - Designated with the Department to act under the license.

**APPLICATION** – The Department must receive the following to process the business entity's application:

- Business Entity License Application – **Form 8301-BE**
  - Electing either to be Independent or Public
- List of all individuals to act under the business entity license
- For each individual to act under the business entity license
  - Individual License Application – **Form 8301 OR**
  - Department's adjuster license identification number
- Proof of Financial Responsibility – **Form 99-3**

- Document demonstrating authority to do business in Kentucky, as applicable
  - General Partnership
    - For resident and nonresident
      - Partnership Agreement
  - Limited Partnership
    - For resident
      - Certificate of Formation from Kentucky Secretary of State
    - For nonresident
      - Certificate of Registration from Kentucky Secretary of State
  - Limited Liability Company and Corporation
    - For resident
      - Certificate of Existence from Kentucky Secretary of State
    - For nonresident
      - Certificate of Authorization from Kentucky Secretary of State
- If using assumed name, copies of Certificate of Assumed Name filed with Kentucky Secretary of State and each Kentucky County Clerk where intends to transact business
- All applicable fees

**FEES** – The business entity applicant must remit \$50 for the business entity license and applicable fees for each individual for whom a Form 8301 is filed. (See fees for individuals applying for independent or public adjuster licenses in the prior section on Individual Resident or Nonresident Independent and Public Adjuster.)

**PRELICENSING TRAINING** – None applies to business entity adjusters.

**EXAMINATION** – None applies to business entity adjusters.

**FINANCIAL RESPONSIBILITY** - The adjuster is deemed to act in a fiduciary capacity on behalf of the adjuster's principal and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company and must be in the sum of \$1,000.

**ADDITIONAL LINES OF AUTHORITY** – The adjuster cannot add lines of authority to the adjuster license but, in certain circumstances, may replace one line of authority with another. In other words, the adjuster may have only one line of authority under the license at any one time. The adjuster is allowed either an independent adjuster license or a public adjuster license.

**APPOINTMENTS** – Appointments are not applicable to adjuster licenses. Although certain independent adjusters may be listed with an insurer in the Department's records for renewal billing purposes, there is no appointment of independent or public adjusters.

**LICENSE RENEWAL** – The adjuster license will continue in force until expired, suspended, revoked, or otherwise terminated if the adjuster makes a written request for continuation and pays the \$50 renewal fee by March 31 in

- Odd years for business entity adjuster licensed in an odd year, and
- Even years for business entity adjuster licensed in an even year.

Independent adjusters who give written permission will have their renewal request and payment handled by the insurer. All other Adjusters will be responsible for their own individual renewal request and payment.

**CONTINUING EDUCATION** – Neither business entities nor adjusters are subject to continuing education.